

EXHIBIT 1

INTRODUCTION

Respondent Jane Lowenthal is a member of the California Library Services Board. As a member of the Library Services Board (the “Board”), Respondent is a designated employee of the Library Services Board, as defined in Section 82019, subdivision (c) of the Political Reform Act (the “Act”),¹ and in the Library Services Board’s, conflict of interest code.

As required by the Board’s conflict of interest code, each member of the Board is required to file an annual statement of economic interests by April 1st of each year that the member remains in office (unless April 1st falls on a Saturday, Sunday, or official holiday, in which case the filing deadline is extended to the next regular business day).² On the statement of economic interests, the designated employee must disclose his or her reportable economic interests held during the preceding calendar year.

In this matter, Respondent failed to file a year 2000 annual statement of economic interests by the April 2, 2001 due date.

The Enforcement Division handled this case on an expedited basis under the SEI Expedited Procedures adopted by the Commission in July of 1999.

For the purposes of this Stipulation, Respondent’s violation of the Act is stated as follows:

As a designated employee of the California Library Services Board, Jane Lowenthal failed to file a year 2000 annual statement of economic interests by April 2, 2001, in violation of Section 87300 of the Government Code.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in Section 81002, subdivision (c), is to ensure that the assets and income of public officials, which may be materially affected by their official actions, be disclosed, so that conflicts of interest may be avoided.

In furtherance of this purpose, Section 87300 requires every agency to adopt and promulgate a conflict of interest code. The agency’s conflict of interest code must specifically designate the employees of the agency who are required to file statements of economic interests disclosing their reportable

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

² Regulation 18116.

investments, business positions, interests in real property, and other sources of income. Under Section 82019, subdivision (c), and Section 87302, subdivision (a), the individuals who are to be designated in an agency's conflict of interest code are the officers, employees, members, and consultants of the agency, whose position with the agency entails making, or participating in making, governmental decisions that may have a reasonably foreseeable material effect on one or more of the individual's economic interests.

Section 87302, subdivision (b) provides that under an agency's conflict of interest code, each designated employee must be required to annually file a statement of economic interests for each year that the employee remains in office, at a time specified in the agency's conflict of interest code, disclosing his or her reportable economic interests for the preceding calendar year. Under the provisions of the conflict of interest code for the Library Services Board, a member of the Board must file the statement of economic interests with the Board, which shall retain a copy of the statement and forward the original to the Fair Political Practices Commission, which has been designated in the Board's conflict of interest code as the filing officer for members of the Board.

Under Section 87300, the requirements of an agency's conflict of interest code have the force of law, and any violation of those requirements is deemed a violation of the Act.

SUMMARY OF THE FACTS

Respondent Jane Lowenthal is a member of the California Library Services Board. As a member of the Board, Respondent was required to file an annual statement of economic interests for the year 2000 by April 2, 2001. On March 30, 2001, Wanda Green, Secretary to the Board, sent a letter to Respondent, reminding her that her year 2000, annual statement of economic interests was due by April 2, 2001.

Respondent alleges that on March 1, 2001 she mailed her year 2000 annual statement of economic interests to the SEI Unit of the Fair Political Practices Commission (the "FPPC"). The SEI Unit has no record of receiving a year 2000 annual statement of economic interests from Respondent before the April 2, 2001 due date, in violation of Section 87300.

Since the SEI Unit did not receive Respondent's year 2000 annual statement of economic interests by the due date, on May 23, 2001, Cyndi Glaser, of the SEI Unit, sent a letter to Respondent, informing her that her year 2000 annual statement of economic interests that was due on April 2, 2001, had not been received, and must be filed immediately. When no response was received to that letter, on July 19, 2001, Ms. Glaser sent a second letter to Respondent, informing her that her year 2000 annual statement of economic interests remained past due, and advising Respondent that her failure to file would be referred to the Enforcement Division if the delinquent statement was not received by July 29, 2001. Respondent failed to file her year 2000 annual statement of economic interests in response to these notices. The matter was then referred to the Enforcement Division of the FPPC.

Respondent contends that the death of her father and the severe medical condition of her mother were the reasons why she did not respond to the letters sent by the SEI Unit.

On August 27, 2001, Investigator Dan Schek, of the Enforcement Division, contacted Respondent by telephone, informing her that her year 2000 annual statement of economic interests was past due, and told her to file the statement immediately. Respondent did so, faxing a copy of her completed year 2000 annual statement of economic interests to Investigator Schek on August 27, 2001, and mailed the original statement to the FPPC.

CONCLUSION

This matter consists of one count of violating Section 87300, which carries a maximum administrative penalty of Five Thousand Dollars (\$5,000). However, under the SEI Expedited Procedures adopted by the Commission in July 1999, the approved administrative penalty for an individual who files a delinquent statement of economic interests within 30 days of being contacted by an Enforcement Division investigator is between Two Hundred and Three Hundred Dollars (\$200-\$300).

The fact that Respondent filed her year 2000 annual statement of economic interests immediately after being contacted by an Enforcement Division investigator, justifies imposition of the agreed upon penalty of Two Hundred Dollars (\$200).